

(b) Is a finding "that the number of females employed has increased" and "that in some

cases they receive less than men for similar work." In so far as this finding means that women are employed to do a more arduous job than men formerly did, and at a less wage than men received for such work, we think that it is in no way justified by the evidence.

(c) Is a finding "that the atmosphere in two of the principal tobacco factories is kept at a high state of humidity, and reduced to its minimum in reply to Q. 6034 shows an unusually high percentage of sickness in one of the factories." In our opinion the evidence as to this matter does not support any finding that there has been any such excessive humidity which was excessive, or which could or should have been avoided. There is no evidence on which such a conclusion can be drawn, and we are unable to give any opinion as to whether the percentage of sickness in one of the factories as shown in the return handed in by the manufacturer.

(d) Is a finding that "the lessening of the number of competing employers has placed the employees more completely under the control of the dominant employer." However true this may be, it is an abstract general proposition, we think that there is no evidence to show that there has hitherto been any use by the dominant employer of his position as employer of any supposed power of more complete control.

5. Par. 21 contains six findings:

(a) "That the effect of the combination on the grower of tobacco leaf has been disastrous."

(b) "That better prices ruled when the factories were more numerous."

As to "(a)," we are strongly of opinion that it entirely misrepresents the whole of the evidence. There is no evidence, we think, to show that the Combine has hitherto injured or attempted to injure growers.

As to "(b)," in so far as this finding suggests that because of the combination and the consequent lessening of factories, the prices to growers have been reduced, we think that it misrepresents the whole of the evidence.

6. Par. 23 states—"As to the effect on the consumer, we find that prices have been raised to the retailer, and that the result in the size and weight of plugs or sticks this increase has wholly or partially been passed on to the consumer, and that the result as this finding suggests that any raising of prices, or any injury to the consumer, has been caused by the Combine, we think that it is directly contrary to the evidence. The evidence all negatives any raising of prices, and indicates the Combine could in any sense be held responsible, and shows that such increases as were testified to took place between 1901 and 1903, before the Combine was formed."

7. Par. 24—"The Commissioners decline to accept the evidence that the increase in price as having been directly due to the Federal Tariff. They ignore also the strong evidence to the contrary, namely, that the rise of the price of American leaf, in so doing, we think that they are opposed to the weight of evidence tendered, and that the raising of numerous persons either independent of or hostile to the Commission."

8. Par. 26 is a finding "that in some States there has been a deterioration in the quality of the tobacco manufactured since the formation, and whatever may be the State, article, or deterioration referred to, this finding is directly opposed to the evidence. It is a finding of weight of evidence to the contrary, given by manufacturers independent of as well as by those connected with the Combine, and by leading independent retailers."

We understand that they were further asked to compare the results of the inquiry made by the evidence to be obtained under the Regie system existing in France with those obtained under the conditions now obtaining in Australia as regards—

(a) Quality and selling value of articles.
(b) Labour conditions.
(c) Revenue per capita.

(a) Quality and selling value of articles.—We think that the great weight of evidence establishes that the average quality of the tobacco now sold to the consumer in Australia is at least equal to the average quality sold in any other country, and is distinctly superior to that now sold in France, and to the tobacco in France. We base this latter opinion upon various considerations, but especially upon the relative price paid for the tobacco in producing the manufactured tobaccos of these two countries, and upon the relative proportions in which low-price (i.e., inferior) and high-price (i.e., superior) leaf enters into these manufactures. These facts, and the selling price of the manufactured articles, lead us to think that a fair deduction from the evidence is that the average quality of the tobacco in France about 4s per lb, and in Australia about 6s 6d.

(b) As to labour conditions.—We think that the evidence clearly establishes that under the Regie system in France the tobacco employees work much longer hours, and receive less rate of remuneration than under existing conditions in the tobacco industry of Australia. Taking the rate of remuneration of male and female labour combined, the rate per hour would seem to be the same in both countries, what it is in Australia, part of the difference being due to the much higher proportion of female labour employed in France.

(c) As to revenue per capita.—We see no reason for differing in any material extent from the statement of the majority report, and the majority report fixing the per capita revenue in France at £s 10/6d. The same paragraph states that "Australia receives less revenue from tobacco duties '£s 4 11-14 per capita.'" So far as this finding is concerned, we say that the revenue per capita from tobacco duties in Australia should approximately be stated as £s 10/6d.

Finally, we have been asked to state generally our opinion "as to the character and relative extent of the evidence tendered," and we think that the evidence tendered fairly reflects the evidence tendered, and whether it is accepted or not is a matter of judicial document."

From what we have said in our detailed opinion, of which this is only a summary, it must follow that in our opinion, and at any rate as far as most of the matters to which our attention has been called, the report does not fairly reflect the evidence tendered, and cannot be accepted as a summary of the evidence. We think that it reflects the pro-existing convictions of those who signed it, rather than the actual effect of the evidence given, and in this sense we consider that it is not "fair" and not "judicial."

In our detailed opinion, and especially in summing up the evidence as affecting the Combine, we have explained ourselves more fully. Signed, J. MURPHY, Chairman, and A. B. WRIGHT, Chauncery-lane, Melbourne, September 1st, 1906.

ACCOUNTANTS' CERTIFICATE.

Melbourne, 2nd August, 1906.

We the undersigned hereby certify—

1. That we have carefully read and considered the calculations of the majority report, pages XII. to XV. of the report rendered by a majority of the Tobacco Commission, which calculations result in a gross estimate of £405,572 in excess of the present revenue, to be derived from a Federal monopoly of the tobacco industry.

2. That we have carefully read and considered the evidence given before the commission relative to the calculations and to the above estimate of profit.

That we have found—

1. That the principles or method observed in making these calculations is misleading, and that their result, even if correctly calculated, cannot probably be regarded as a guide to which may be derived from this industry, either in its present hands or in the hands of the Government.

2. That, apart from the adoption of a misleading method, the evidence clearly shows that the calculations of the majority report, pages XII. to XV. of the majority report, are disfigured by certain errors as to facts, which materially affect the estimate of profit based upon these calculations by the Commissioners.

3. That the errors incorporated in the majority report, £184,247; imported cigars, over-estimate of retail value, £100,661, less over-estimate of cost, £12,500, net over-estimate of £148,077; under-estimate of cost of tinned cut tobacco, £19,853; under-estimate of cost of locally manufactured cigars, £12,500, net over-estimate of importers' profit on plug tobacco, £37,948. Total over-estimate of profit, £238,697.

4. The estimate of total profit, in excess of present revenue, made by the signatories to the majority report, and based upon the erroneous calculations is £405,572. This estimate must be regarded as a gross estimate of the mistakes above enumerated, i.e., £238,697, leaving as total possible profit £166,875, provided the calculations are correct. Such profit adopted in the majority report is incorrect. Neither the majority report set the above calculation as a guide to the interest on purchase money, sinking fund, repairs and renewals, nor of the increase in wages necessitated by the Federal Monopoly Service Act and regulations. If allowances were made for these items, the apparent profit would be converted into a loss.

THOS. BRENTNALL, F.R.A.S.,
WOOTTON, FULLER, and KING,
Chartered Accountants.

THE GREAT WORLD'S TONIC.

An eminent Hospital doctor and experienced maker of the tonic, coming after severe and repeated attacks, that the very best quality of medicine swallowed remained unabsorbed in any stomach for weeks, thus eluding the action of the medicine, and frequent readings, every remedy suggested by prominent medical authorities failed to improve him, until he became quite rotten, and was almost expiring, and was advised to try "Ferre's Tonic," and after using it only a few bottles he felt himself getting stronger, and improved fast until he became quite robust, and was afterwards experimentally successfully on other people with "Ferre's Tonic." He is now of excellent health, and can be proved from all chemists and druggists, and is sold by Messrs. J. G. Marshall and Co., Holborn-street, London, Pitt-street, Adelaide.

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